

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 602 - SB 1443

February 28, 2019

SUMMARY OF BILL: Prohibits a local government from requiring alarm system contractors and businesses to pay certain fees.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$5,000

Assumptions:

- The proposed legislation will prohibit local governments:
 - From assessing certain penalties and fees against an alarm contractor instead of the property owner. Such fees are currently assessed to the individual property owner and not the alarm contractor; therefore, any decrease in local government revenue associated with collection of such penalties and fees is estimated to be not significant.
 - From assessing certain fees against an alarm contractor when the alarm contractor is the property owner.
- According to Davidson County, there are approximately 291 licensed alarm contractors who have registered to operate within the county.
- Davidson County assesses:
 - A \$20.00 initial alarm registration permit fee for residential property. Alarm permits must be renewed annually for \$20.00.
 - A \$50.00 initial alarm registration permit fee for commercial property. Alarm permits must be renewed annually for \$50.00.
- Under the proposed language, alarm contractors will not be required to pay such registration and renewal fees for alarms on property they own or lease, whether commercial or residential.
- Assuming at least 10 percent, or 29 contractors, own or lease residential property, and at least an additional 10 percent, an additional 29 contractors, own or lease commercial property in Davidson County, it will result in a recurring decrease in local government revenue for Davidson County estimated to exceed \$2,030 [(29 permits x \$20.00 annually) + (29 permits x \$50.00 annually)].
- The precise number of local governments currently assessing fees for alarm installation permits and renewals against property owners who are alarm system contractors, the extent of such fees, and the number of contractors paying such fees statewide is

unknown; however, the proposed language is estimated to result in a mandatory recurring decrease in local government revenue exceeding \$5,000 statewide.

IMPACT TO COMMERCE:

Decrease Business Expenditures – Exceeds \$5,000

Assumption:

- The precise number of local governments currently assessing fees for alarm installation permits and renewals against property owners who are alarm system contractors, the extent of such fees, and the number of contractors paying such fees statewide is unknown; however, the proposed legislation is estimated to result in a recurring decrease in business expenditures for alarm system contractors exceeding \$5,000 statewide. No jobs will be impacted by the proposed language.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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